

COURT FILE NUMBER Q.B. 1401 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT PILLAR CAPITAL CORP.

RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.

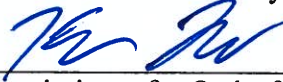
IN THE MATTER OF THE RECEIVERSHIP
OF HARMON INTERNATIONAL INDUSTRIES INC.

AFFIDAVIT OF KEN KREUTZWIESER

I, Ken Kreutzwieser, Realtor, of Saskatoon, Saskatchewan MAKE OATH AND SAY AS FOLLOWS THAT:

1. I am a commercial Realtor and partner of ICR Commercial Real Estate ("ICR") and, as such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and whereso stated, I believe the same to be true.
2. On or about February, 26, 2019, ICR entered into an Exclusive Listing Agreement with Harmon International Industries Inc. ("**Harmon**") to market the property civically described as 2401 Millar Avenue, Saskatoon, Saskatchewan (the "**2401 Millar Avenue Property**"). I am attaching the Exclusive Listing Agreement as Exhibit "A" of this Affidavit.
3. The listing agreement expired on April 30, 2019. It has been brought to my attention that the 2401 Millar Avenue Property still appears to be listed for sale on ICR's website at <https://www.icrcommercial.com/sales-leasing/property-listings/>, notwithstanding the expiry of the listing period. This is in error.
4. On September 4, 2018, I provided Calvin Moneo of Harmon with a preliminary valuation for the 2401 Millar Avenue Property. Therein, based on the information available to me at the time, I estimated the property's market value at \$5,125,000.00. I had not personally inspected the interior of the industrial facility sited at the 2401 Millar Avenue Property prior to the preparation of the September 4, 2018, valuation.

This is Exhibit "A" referred to in the
Affidavit of Ken Kreutzwieser
Sworn before me this 8th day of, January, 2020.



A Commissioner for Oaths for Saskatchewan.

My Appointment Expires _____.

-OR- Being a Solicitor

EXCLUSIVE LISTING AGREEMENT – FOR SALE

This Exclusive Listing Agreement (the "Agreement") dated for reference the 26th day of February, 2019.

Between:

Harmon International Industries Inc. (Herein "Owner") and ICR Commercial Real Estate (Herein "the Broker")

Owner and the Broker hereby agree as follows:

The Broker Shall list and use commercially reasonable efforts to effect a sale or exchange of property known as 2401 Millar Avenue, Saskatoon, Saskatchewan, legally described as:

Lot 13, 14, 15 & Part of Lot L Blk/Par 377 Plan 59S01097 Ext 0

(ICS Surface Parcel 118989499, 118989501, 118989567, Portion 135721728) (herein "Property")

belonging to Owner. The Broker shall appoint a salesperson(s) to be responsible for dealing with the sale or exchange of the Property.

Owner hereby gives the Broker sole and exclusive authority, commencing on **February 26, 2019** and irrevocable until **April 30, 2019** to sell or exchange the Property at a price of **\$ 5,290,000.00** or at other such price or terms to which Owner may agree.

Owner agrees to pay the Broker a commission of three (3%) per cent of the sale price plus applicable Sales Tax (as defined below) (herein together "Commission") upon any sale or exchange of Property effected during the term of this Agreement; or upon a purchaser being found ready, willing and able to purchase Property on the terms above or upon a sale or exchange of Property within three (3) months of the expiration of this Agreement hereof in respect of which the purchaser was introduced to Property during the term hereof.

Owner shall pay to the Broker, in addition to any other amounts payable hereunder, any GST, sales tax, value added tax or any similar tax ("Sales Tax") imposed against Owner by the Government of Canada, or any Provincial or Municipal Government, to the extent that Sales Tax is imposed on Owner pursuant to the terms of this Agreement, said Sales Tax to be payable by Owner at the same time that the commission in respect of those services are payable pursuant to the terms of this Agreement. The Broker will share equally with the successful buyer's brokerage, commissions earned from this trade in real estate.

Commission shall be earned by and due and payable to the Broker by Owner upon the earlier of (a) title registration at Information Services Corporation or (b) when commissions have been released to the Broker by Owner and/or the Broker receives notification to release commissions from your lawyer and the buyer has taken possession.

Deposits shall be made payable to the Broker. Owner agrees that the Broker shall hold all deposits in the Broker's trust account. Such Commission shall be deducted from the deposit. In the event the deposit is not sufficient to pay Commission, Owner agrees and promises to pay the balance of Commission forthwith and shall hereby authorize and instruct Owner's solicitor to deduct and forward the same from the proceeds of the sale or exchange. It is understood for the purposes of securing Commission, the Broker hereby charges Property with Commission which may be earned under the terms hereof. If the deposit is forfeited by the prospective purchaser, the Broker shall be entitled to an amount equal to fifty (50%) per cent of the deposit, such amount not to exceed the amount of Commission which would have been earned had the transaction been completed.

Owner and the Broker acknowledge and agree that the Broker is not required to and shall not provide legal, accounting, environmental or tax advice. Owner is advised to seek specific independent legal, accounting, environmental or tax advice with regard to this Agreement and with regard to all documents executed in connection with this Agreement and the sale or exchange contemplated herein.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, charges, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s), by reason of the Broker's agency to Owner herein, by reason of any misrepresentation or omission of a material fact by Owner to the Broker regarding Property and/or by reason of any legal, accounting, environmental or tax issues arising rising from this Agreement. Notwithstanding the expiration of this Agreement, this clause shall survive.

Owner furthers agrees to refer to the Broker all inquiries relative to the sale or exchange of Property and to communicate to the Broker all offers to purchase which may be received during the period of this Agreement or arising by reason of it. Owner agrees to allow the Broker full opportunity to show Property to prospective purchasers during reasonable hours. The Broker shall be responsible for Property specific signage and shall have the right to erect the Broker's standard site signs. The Owner grants the Broker the authority

to use their property for marketing purposes of the Owner's site and/or nearby properties. This authority is given to the Broker for promotional uses such as photography and videography. The direct costs of periodical advertising carried out for the purpose of selling or exchanging Property shall be borne by the Broker. Owner shall pay for any additional promotional expenditure which may be deemed desirable and approved by Owner.

Owner acknowledges and agrees that in carrying out the terms of this Agreement, the Broker may be required to act on behalf of both Owner and prospective purchasers. The Broker agrees that it shall not represent any other parties' interest to the detriment of Owner. Owner shall advise the Broker of that information (herein "Confidential Information") which shall not be conveyed to or discussed with any potential purchaser. The Broker hereby undertakes not to disclose such Confidential Information without written consent of Owner. Notwithstanding the foregoing, Owner acknowledges that under *The Real Estate Act* and related provisions, the Broker must take commercially reasonable steps to discover material facts regarding Property in order to avoid error, misrepresentation or concealment of material facts and that the Broker may not make or permit to be made a statement in any form that contains an untrue statement of a material fact or omits to state a material fact regarding Property. The Owner consents to the collection, use and disclosure of personal information for the purpose of listing and marketing the Property including, but not limited to: (i) listing and advertising the Property using any medium including the internet; (ii) disclosing Property information to prospective tenants, brokerages, salespersons and others who may assist in the sale of the Property; and (iii) such other use of the Owner's personal information as is consistent with listing and marketing the Property.

Owner acknowledges and agrees that upon expiration of this Agreement, the Broker shall no longer represent Owner with regard to a sale or exchange of Property unless otherwise mutually agreed to in writing and all obligations to Owner shall immediately cease thereafter. Notwithstanding the foregoing nor the expiration of this Agreement, all obligations of Owner to the Broker for the payment of Commission herein shall continue without interruption and the terms of this clause shall survive.

Owner hereby indemnifies and saves harmless the Broker and its salesperson(s) against any and all damages, losses, costs, claims, actions, liabilities and penalties whatsoever which the Broker and its salesperson(s) may sustain, incur or be liable for, or which may be made against the Broker and its salesperson(s) pursuant to this Agreement by reason of any cause other than negligence on the part of the Broker or its salesperson(s). Notwithstanding the expiration of this Agreement, this clause shall survive.

Owner acknowledges having read and understood this Agreement, that it accurately describes the agreement with the Broker and that Owner has received an executed copy on this date. There are no representations, warranties, guarantees, promises or agreements between the parties hereto other than those made herein. Any term, condition or provision of this Agreement which is or shall be deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof. Owner hereby certifies that it does not have an exclusive listing agreement, as relates to Property, with any other brokerage.

(This Exclusive Listing Agreement may be accepted via email and/or fax transmission, the receipt of which shall be deemed an original for all intents and purposes. This Exclusive Listing Agreement may be signed in counterpart and the sum of all executed parts shall be deemed to be one document)



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Office: (306) 664-6116
Facsimile: (306) 664-1940
www.icrcommercial.com /
brokerage@icrcommercial.com

Dated this 26th day of February, 2019

Victor Moneo
Witness - Print Name

Harmon International Industries Inc.

Per:

Calvin Moneo - President
Print Name & Position
(I have the authority to bind the corporation)

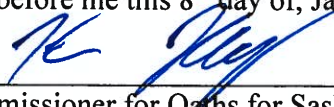
Alex McGregor
Witness - Print Name

ICR Commercial Real Estate

Per:

Todd Bice
Print Name & Position
(I have the authority to bind the corporation)

This is Exhibit "B" referred to in the
Affidavit of Ken Kreutzwieser
Sworn before me this 8th day of, January, 2020.



A Commissioner for Oaths for Saskatchewan.

My Appointment Expires _____.

-OR- Being a Solicitor

Kevin Hoy

From: Kevin Hoy <khoy@wlawgroup.com>
Sent: January-08-20 10:53 AM
To: khoy@wlawgroup.com
Subject: re 2401 Millar ave
Attachments: 2401 Millar Ave - Harmon Industries International 2 09.04.18.pdf

From: Ken K
Sent: September 4, 2018 2:39 PM
To: harmon_intl@yahoo.ca
Subject: Evaluation

Hi Cal, Please see attached. I put it at \$5,125,000.00 for banking purposes. This is not a list price or a sale price.

Once you have reviewed let me know if you have any questions. The please advise when we can list and go to market with your building.

Thanks,
Ken



KEN KREUTZWIESER
MANAGING PARTNER, BROKER
SALES & LEASING | SENIOR SALES ASSOCIATE

P 306-933-2929 ext 410
C 306-230-9700
E KEN.K@ICRCOMMERCIAL.COM
ICR COMMERCIAL REAL ESTATE
840-48TH STREET EAST, SK, S7K-3Y4

VCARD | LINKEDIN | TWITTER | INSTAGRAM | FACEBOOK

*Member of the Society of Industrial and Office Realtors. WWW.SIOR.COM

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